

THE COMMONWEALTH OF MASSACHUSETTS

State Board of Retirement

ONE ASHBURTON PLACE, BOSTON, MA 02108-1607

NEWSLETTER



Timothy P. Cahill

Welcome to the Winter 2007 edition of the Active Member Newsletter

Happy New Year! This year, make a resolution to plan for your retirement.

This newsletter contains information on beneficiary selection forms, estimating your retirement, and frequently asked questions. Spend a few minutes today with this information—you will benefit tomorrow.

Our SMART Retirement & Beyond seminar series continues in 2007, with free sessions in Boston, Framingham and Bedford. These seminars provide information about your retirement plan, the deferred compensation plan, investing and Social Security, and have received rave reviews. For more information, see page 3 of this newsletter.

Should you have any questions, comments, suggestions or contributions for future newsletters, please do not hesitate to contact the State Board of Retirement.

On behalf of the State Board of Retirement, thank you for your service to the Commonwealth. All the best wishes for a happy, healthy 2007.

Timothy P. Cahill
Treasurer and Receiver General
The Commonwealth of Massachusetts

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STATE BOARD OF RETIREMENT

MEMBERS OF THE BOARD

Chairman

Treasurer Timothy P. Cahill

Elected Members

Ralph White

Theresa McGoldrick, Esq.

Appointed Member

Peter Koutoujian, Sr.

Chosen Member

Chris S. Condon

Executive Director

Nicola Favorito, Esq.

MAIN OFFICE

Address:

One Ashburton Place, Room 1219
Boston, MA 02108-1607

Office Hours:

7:45 a.m.–5:00 p.m. M–F

Phone: (617) 367-7770

Fax: (617) 723-1438

REGIONAL OFFICE

Address:

436 Dwight Street, Room 109A
Springfield, MA 01103

Office Hours:

8:45 a.m.–5:00 p.m. M–F

Phone: (413) 730-6135

Fax: (413) 730-6139

PHONE TOLL-FREE

1-800-392-6014 (Mass. only)

Automated Phone Options

Retirement Counselor 1
Disability 2
Survivor Benefits 5
Buyback 6
Withdrawal/Refund 7
Direct Deposit 8

EMAIL

SRB@tre.state.ma.us

WEB SITE

www.mass.gov/treasury

In cooperation with the GIC, active employees who participate in the State Retirement System will receive State Board of Retirement (“SRB”) beneficiary details. This is a great opportunity for you to check who the

Keeping your SRB beneficiary designation up-to-date is essential. As a member of the State Employees' Retirement System, you have the ability to provide certain benefits or payments to a designated beneficiary or

made to your retirement account should you die **before** your retirement. This beneficiary designation is also used for payment of any unused vacation and sick time owed.

An SRB beneficiary form will be enclosed in the packet you receive from the GIC so you may update your SRB beneficiary designation. Be sure to carefully review the information provided for accuracy. You may add or change your beneficiary designation.

Every year in late January, the GIC (Group Insurance Commission) sends you an overview of your benefits to help you keep your records up-to-date.

*Is your State Board of Retirement
beneficiary information up-to-date?*

SRB has on file as your beneficiary. Keep in mind that your GIC beneficiary is used for life insurance purposes, and is not valid for retirement purposes. Alternately, your SRB beneficiary is not valid for GIC life insurance payouts.

beneficiaries should you die while still in active service and **before** your retirement. You may designate a beneficiary to receive the lump sum payments of any accumulated retirement deductions and interest that had been

Please be advised the State Board of Retirement will not release beneficiary information over the phone. If the beneficiary information is not accurate or there is no beneficiary listed, the Board strongly recommends you complete the beneficiary change form in order to update your beneficiary record. ■

Coming Soon

MANY OF YOU HAVE ASKED...

Retirement Pension Estimate Calculator

The new Retirement Pension Estimate Calculator will be an added feature to our web site. This calculator will allow members to estimate their retirement benefits using options A, B and C, along with being able to put in groups 1, 2 and 4. So, whether you plan on retiring today or 5 years from now, this new enhanced feature will allow you to plan your retirement and give you a good estimate on what your monthly benefits would be. The calculator is only to be used as an estimate and if you are planning to retire in the near future you should make an appointment to talk to one of our retirement counselors.

A Note from the Retirement Board

When filling out the beneficiary selection forms, please make sure all information is filled out correctly. This must include the beneficiary's name, date of birth, social security number and address.

Please note that **the Beneficiary form must be signed and witnessed** in order to be considered valid. The witness must be someone other than the person being named as beneficiary.

If you have any questions regarding the beneficiary forms please contact the State Board of Retirement.

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PRIM Board Update: November 2006

The Pension Reserves Investment Trust (PRIT) Fund is a pooled investment fund established to invest the assets of the Massachusetts State Teachers' and Employees' Retirement Systems, and the assets of county, authority, district, and municipal retirement systems that choose to invest in the Fund. The PRIT Fund was created by the Legislature in December 1983. The nine-member PRIM Board is responsible for the management of the PRIT Fund. The Treasurer and Receiver General of the Commonwealth is a member ex officio and serves as the chair. The State Employees' Retirement System also has two representatives on the Board: the members of that Retirement System elect one and one is an Elected Member of the State Employees' Retirement Board.

Market Recap – November 2006

DOMESTIC EQUITY MARKETS:

Index	Month	3rd QTR
S&P 500 (ex-tob.)	1.88%	5.63%
DOW	1.55%	5.35%
NASDAQ	2.75%	3.97%
Wilshire 5000	2.26%	4.47%
Russell 2500	3.26%	0.52%

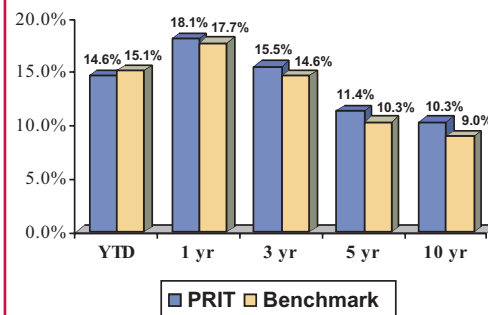
INTERNATIONAL & EMERGING MARKETS EQUITIES:

Index	Month	3rd QTR
MSCI EAFE	2.99%	3.93%
MSCI EMF (net)	7.45%	5.01%

FIXED INCOME & HIGH YIELD MARKETS:

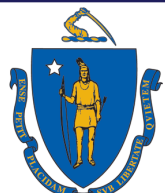
Index	Month	3rd QTR
LB Aggregate	1.16%	3.81%
ML HY Master II	1.60%	4.05%
TIPS	1.24%	3.64%

PRIT Core Fund as of 11/30/06



The PRIT Core Fund ended November 2006 with \$45.9 billion, up \$5.9 billion from the end of 2005, net of redemptions. For the month of November the PRIT Core Fund returned 2.33% just ahead of the policy benchmark return of 2.18%. For one-year through November, the PRIT Core Fund returned 18.07% exceeding the policy benchmark return of 17.74 % by 31 basis points.

For more information about PRIM Board, please visit their website at www.mapension.com



Massachusetts State Board of Retirement

SMART & Beyond RETIREMENT

Join us for SMART Retirement & Beyond, a retirement planning seminar series exclusively for Massachusetts State Employees sponsored by State Treasurer Timothy P. Cahill, the Massachusetts State Board of Retirement and the Deferred Compensation SMART Plan.

This seminar is designed to provide you with the information and tools needed to help achieve financial security and comfort in retirement.

IN THIS SEMINAR YOU WILL LEARN:

- Important facts and details about your benefits available through the Massachusetts State Employees' Retirement System such as:
 - Membership & Creditable Service – Retirement Options – Survivor Benefits
- How much income you will need to enjoy retirement.
- How to keep inflation from shrinking your retirement nest egg.
- How and when to withdraw from your SMART Plan and other retirement accounts.
- Common mistakes people make regarding investments and retirement planning and how to avoid them.
- A representative from the Social Security Administration will be on hand to answer questions.

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SEMINAR LOCATIONS:

Seminars are conveniently scheduled in the evening at locations across Massachusetts. Space is limited. Register today at www.mass.gov/treasury/financialed.htm or contact the Financial Education Division at 617-367-6900.

BOSTON — January 25, 2007
State House, Gardner Auditorium, 24 Beacon Street
5:00 – 7:00 p.m.

FRAMINGHAM — February 1, 2007
State Police Headquarters, Gymnasium,
470 Worcester Road (Route 9 East)
6:00 - 8:00 p.m.

BEDFORD — February 8, 2007
Middlesex Community College, Campus Center,
Building 8, Café East, 591 Springs Road
6:00 - 8:00 p.m.

For additional seminar locations please go to www.mass.gov/treasury/fineducation/SRBREG.htm

Frequently Asked Questions

There are two types of disability for which public employees may be retired:

Accidental & Ordinary.

ACCIDENTAL DISABILITY: ELIGIBILITY

Who is eligible to apply for an accidental disability retirement?

Generally, if a member's permanent and total incapacitation prevents him/her from performing the essential duties of his/her position because of a personal injury sustained or a hazard undergone while in the performance of his/her duties at a definite time and place and without serious and willful misconduct on his/her part, he/she is eligible to apply.

Should I notify my retirement board if I am injured on the job?

If you have an accident on the job, or are exposed to a health hazard, it is critically important that a notice of injury is filed with your retirement board, in addition to the notice filed with your employer. The notice should be filed within 90 days of the occurrence of the injury or exposure. This establishes the time, place, and occurrence of the accident or hazard for future reference. If you later become disabled and more than two years have passed since the accident or hazard, it is imperative that you have an official record in order to seek accidental disability benefits. The notice of injury serves as the official record. Workers' Compensation records or official department records may also be utilized.

When must I be a member-in-service?

A public employee applying for an accidental disability allowance need not be a member-in-service at the time of application; member-in-service status is required only at time of injury.

May I receive an accidental disability allowance from one retirement system while continuing to be a member-in-service of another system?

If you are eligible to receive an accidental disability allowance from one system, your disability pension or retirement allowance will not become effective until you terminate your service from the second system. Until such termination you will be required to waive the receipt of your disability benefit.

Ordinary disability frequently asked questions will be covered in our next newsletter edition.

Noteworthy

Peter Koutoujian, Sr. Re-Appointed to State Retirement Board

Peter Koutoujian, Sr. of Waltham was recently re-appointed to the State Board of Retirement for his second term.

"I am pleased to re-appoint Peter Koutoujian, Sr., as a member of the State Board of Retirement," said Treasurer Cahill. "Peter is a dedi-

cated public servant and we value his many contributions to the Board and Massachusetts."

"I am honored to be re-appointed as a member of the State Board of Retirement and I would like to thank the Staff at the Retirement Board who do an excellent job, which

makes my job as a board member easier. I would also like to thank the Board; it is truly a pleasure working with them," he said.

Mr. Koutoujian is the retired City Clerk from the City of Waltham. ■

Important Dates to Remember

January 2007

Monday, January 15 | Martin Luther King Day

February 2007

Monday, February 19 | George Washington's Birthday (*observed*)

Reminder:

**Please Notify your
Human Resources
Coordinator of any
Change of Address**